UNITED STATES DISTRICT COURT DISTRICT OF MINNESOTA

IN RE PORK ANTITRUST LITIGATION

This document relates to:

Sysco Corporation v. Agri Stats, 1

IN RE CATTLE AND BEEF ANTITRUST
LITIGATION

This document relates to:

Sysco Corporation v. Cargill, 1

IN RE CATOL AND COUNT FILE

LITIGATION

Sysco Corporation v. Cargill, 1

IN Case No. 22-CV-1750

St. Paul, Minnesota 8:30 A.M.

HEARING ON

SYSCO CORPORATION'S MOTION FOR A LIMITED STAY
- AND BOIES SCHILLER FLEXNER, LLP'S MOTION TO WITHDRAW AS COUNSEL

BEFORE THE HONORABLE JOHN F. DOCHERTY UNITED STATES MAGISTRATE JUDGE

TIMOTHY J. WILLETTE, RDR, CRR, CRC

Official Court Reporter - United States District Court
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1 (8:30 a.m.)2 PROCEEDINGS 3 IN OPEN COURT 4 (VIA ZoomGov VIDEO CONFERENCE) 5 THE CLERK: Okay. We'll be getting started 6 shortly when Judge Docherty turns on his audio and video. 7 That will mark the start of the hearing. Are there any 8 questions before we get started? 9 (No response) 10 THE CLERK: Okay. 11 (Pause) 12 THE COURT: Good morning, everybody. This is 13 Magistrate Judge Docherty. We are here this morning in both 14 the Pork and the Beef MDLs to consider a couple of things. 15 And just so the record is clear, I'm going to give the docket numbers of these motions in both cases. 16 17 First up, we'll consider the motion of the Boies 18 Schiller Flexner law firm to withdraw as counsel for Sysco. 19 That is docket number 1882 in the Pork MDL, which is 20 18-CV-1776. 21 Would those who are not speaking be so good as to 22 silence their microphones? There's considerable background 23 noise that I'm picking up. Thanks much. 24 That motion is docket number 185 in Cattle, which 25 is 22-MD-3031.

After that we'll consider Sysco's motion for a limited stay. That's docket number 1843 in Pork and docket number 164 in Cattle.

So let's begin, as I say, with Boies Schiller's motion to withdraw.

Mr. Gant, I have read your moving papers, I've read those of Sysco as well. Mr. Gant, is there anything to say over and above what's in the papers?

MR. GANT: First of all, Your Honor, I am getting over a bout of COVID, so I hope you can hear me and apologize I'm not on camera, but I don't have anything to add. As you know, we wished we could have been able to tell you more, but we could not obtain Sysco's consent to do so, so we'll have to rest on our papers unless you have any questions for me that I may be able to answer.

THE COURT: All right. Mr. Boylan, do you have anything to say on behalf of Sysco?

MR. BOYLAN: Your Honor, by way of update more than on the substance, since our last filing -- and I think this relates to both motions, but I'll set the table now if it's all right with Your Honor.

Since our last filing we've made progress in securing new counsel, replacement counsel. We spoke with additional firms. They've lined up who they hope is going to be the new counsel. They've cleared conflicts. They've

even started working, I think are close to finalizing and getting an engagement letter executed.

Your Honor, Burford, the litigation funder, hasn't yet consented to that, but we're in the process of trying to obtain that consent so that representation can move forward immediately.

More generally -- and I know Your Honor took a look at some of the other filings in Illinois and whatnot. We continue to be in a position where Sysco can't settle these claims because Burford is standing in the way, blocking those, including this case, and they haven't withdrawn a recent threat to use a provision in the original funding agreement to take control of this case.

Finally, Your Honor, just by way of update,

Sysco's petition in Illinois has not yet been ruled on.

It's pending, it's been updated, but it hasn't been ruled on.

THE COURT: All right. Well, thanks for the update, and yes, I'll have more to say about some of those topics a little later. I won't have much more to say, though, because what I'm going to say is that there's no motion or other request for relief pending, but let's table that for now.

Is there anyone else who wishes to be heard on this motion before -- I mean, I think I'm ready to rule on

it, but anyone else?

MR. BOYLAN: Your Honor, I'm looking at my notes here. One thing I want to be absolutely clear about, our proposed order on the stipulation that was denied included some express language that I want to make sure I flag for Your Honor and that would be included in any order here.

It was agreed that Boies Schiller's withdrawal will be without prejudice to either BSF or Sysco in asserting any claim or defense that they may have against each other as a result of the withdrawal. That's pretty important language for other reasons and I just wanted to be clear with Your Honor that I think that's agreed to as well, and I want to be certain that if withdrawal is granted that's included in the order.

THE COURT: Okay. I'm not sure anyone else has the ability to weigh in on this, which seems to me to be between Boies Schiller and its still client Sysco, but if anyone does, speak now.

MR. ELLISON: Yes, Your Honor, if I may briefly.

Just speaking on behalf of National Beef, Cargill and Tyson, the one thing I'll add is -- and Your Honor's probably contemplating this already, but to the extent you're going to grant the motion to withdraw counsel, we would just suggest some sort of firm time frame on entry of appearance of new counsel just to keep things moving.

1 THE COURT: That will be part of the motion to 2 stay, okay? 3 Anyone else? 4 (No response) 5 THE COURT: All right. I'm going to rule on this 6 one right away. I'm not going to be issuing a written 7 order. The transcript of what I'm about to say will be the ruling of the Court for purposes of any further review. 8 9 I don't think I have any discretion to do anything 10 but grant this motion and here's why: 11 All attorneys who practice before this Court, 12 whether or not they're admitted to the bar of the Minnesota 13 Supreme Court are bound by the Minnesota Rules of 14 Professional Conduct, and that's found in Local 15 Rule 83.6(a). 16 Turning to the Minnesota Rule of Professional 17 Conduct that applies here, it's Rule 1.16(a)(3), it's 18 unequivocal, and to quote: "A lawyer shall withdraw from 19 the representation of a client if the lawyer is discharged." 20 Boies Schiller Flexner represents and Sysco 21 confirms that in a February 23rd, 2023 email from Barrett 22 Flynn, who's in-house counsel at Sysco, to Boies Schiller 23 Flexner, Sysco discharged Boies Schiller and therefore BSF 24 must withdraw and I must grant their motion. 25 Local Rule 83.7 gives attorneys three mechanisms

for withdrawing from representation. They can give notice of withdrawal if they're part of a team of lawyers and other members of that team are going to remain the party's counsel of record. They can under 83.7(b) give notice of withdrawal and substitution if everybody's getting off, but substitute counsel is lined up and ready to go. Neither of those situations is present here and therefore we're proceeding under Local Rule 83.7(c), which is a motion.

Boies Schiller has filed the motion which is the appropriate method. I have not seen any opposition to Boies Schiller's motion. I gave everyone a chance to weigh in just a couple of minutes ago, and although one party did comment, nobody opposed the motion. Rule 83.7(c) requires notice to the client and good cause. Sysco has been notified and Sysco's discharge of Boies Schiller constitutes good cause.

Therefore, Boies Schiller's motion to withdraw as counsel for Sysco is granted. They are off the case. This is done without any prejudice to any rights that Boies Schiller may have or that Sysco may have against each other.

Mr. Boylan, does that cover your concern?

MR. BOYLAN: It does, Your Honor. Thank you.

THE COURT: All right. That motion is granted.

Let's proceed, then, to Sysco's motion for a limited stay, docket number 1843 in Pork, docket number 164

in Cattle.

I understand that Sysco is moving for a 60-day stay in order to find substitute counsel. That motion was filed on March the 10th, and if my arithmetic is right, that was 26 days ago, meaning if that motion had been granted on the day it was filed, 34 days would be left on the stay. Thirty-four days from today is Monday, May the 8th of 2023.

Mr. Boylan, do you have anything further other than the update you gave us about Sysco's efforts to retain new counsel? Anything further to say on your motion for a limited stay?

MR. BOYLAN: Your Honor, I'll try to be really brief. In light of the oppositions that we received -- and generally, I think you could characterize them as non-oppositions to at least a 30-day stay as well -- there was some commentary that a couple of parties made, but those relate to kind of the Burford issue, so I'm not going to wade into that. If we had had a reply memorandum, I think we would have adjusted our request to Your Honor in the following way:

In the Beef case, rather than asking for 60 days, what we would request from Your Honor is an order staying the action for 30 days only as to Sysco -- because I think there's been some question of, you know, what ramifications are there elsewhere -- it's only as to Sysco to allow us to

obtain replacement counsel, 30 days from today, so that gets us out to May 3rd -- or May 5th, excuse me -- I believe.

Within Beef, we also submitted a letter on March 24th about this kind of interim deadline that fell.

THE COURT: Right.

MR. BOYLAN: We'd ask that the order granting our stay allows the deadline for us to complete the production to be extended to May 3rd of 2023.

Part of the reason I mention the update about our optimism about new counsel is we're feeling pretty confident they're going to be able to step in and make that production, and so that will just give us till May 3rd.

And finally -- and this is a little bit -- it's addressed by our papers and I think that it makes sense under the circumstances, Your Honor.

arise between now, hopefully the date of your order, and whenever replacement counsel makes its appearance — this is kind of the unknown. I don't know if anything's going to happen here or not, but to the extent that a deadline were to arise, we'd ask that Your Honor enter an order that allows those deadlines, those new unanticipated deadlines as of this moment, to be extended until 14 days after replacement counsel appears. We think that's fair under the circumstances. Because the stay to find replacement counsel

is limited to 30 days, it's a pretty modest request, Your Honor, and really we're solving for the unknown there of a deadline that might emerge in the next couple of weeks that we're unaware of at this present moment.

On the Pork side of the case, I think we just need the 30 days to obtain replacement counsel. It's stayed only as to Sysco just for 30 days to find replacement counsel and the same sort of protective 14-day window in the event that there's this strange, unanticipated deadline that arises in the next couple of weeks.

Your Honor, I know this is different from what we had set forth originally, but I think that it makes sense in light of the oppositions and non-oppositions and commentary that we've received from others. It maintains the objective of keeping the overall case schedule in place. It limits our request only to 30 days. And to the extent that we got any responses, it was: Boy, you should be able to do it within 30 days. And finally, it resolves this April 3rd deadline that has come and gone during the pendency of this motion.

And so, Your Honor, we think that's reasonable, we think it's the right outcome under these highly unusual circumstances, and I'd just reserve the ability to respond to any comments or questions that you may have or any points are raised by others. Otherwise, I think you understand how

I'm thinking about this in our new request, and if it's helpful to Your Honor, we could submit newly amended proposed orders that are consistent with my comments this morning.

THE COURT: Okay. You've mentioned a couple of times, Mr. Boylan, non-opposition but comment. I'm not aware of any written opposition as in don't grant the stay, period. I'm aware of people saying we're concerned about what this might mean, but we understand Sysco's in a tough spot and they need to get some breathing room.

Are you aware of anything I've missed? Is anyone flatly opposed to granting the stay?

MR. BOYLAN: Not when you call it 30 days, Judge. To the extent they've said, anything they've said, deny it as to 60, but 30 would be okay. That's kind of what I mean by a non-opposition to a 30-day stay. I think there's one that came in that said 60 days might be a little too long, and that's why we've revised our request here to comport with that sort of position.

THE COURT: Okay. And you have revised your request, but as noted. And, you know, this isn't your fault, but 26 days have come and gone. So really if it's 30 this morning, the request is for 56 days, is that -- well, let me open it up to everyone then. If that request was granted and the stay remained in place until the 3rd of May,

1 is anyone opposed to that? MR. ROBISON: Your Honor, Brian Robison for the 2 3 Pork defendants. I think the answer to that is no. We were 4 one of the groups that put in what I would call kind of a 5 non-opposition with a comment. In the Pork cases there's a 6 June expert disclosure deadline and the defendants' only 7 concern with a stay into May is whether Sysco believes it would need to get its own expert disclosure deadline past 8 9 the June deadline when all the other plaintiffs are going to 10 be disclosing experts. 11 So, I think again our answer is no, we're not 12 We understand Sysco's in a tough spot and needs opposed. 13 breathing room. We just want to keep all the plaintiffs in 14 the pork cases on the same expert deadline. 15 THE COURT: That's a good point. 16 Mr. Boylan, if this case is stayed as to Sysco 17 until the 3rd of May, what do you anticipate about that 18 expert disclosure deadline? 19 MR. BOYLAN: We do not expect any issue with 20 Sysco's ability to meet that June 5th expert disclosure deadline. 21 22 THE COURT: All right. Mr. Robison, anything 23 further? 24 MR. ROBISON: No, Your Honor.

THE COURT: Okay. Anyone else?

25

MR. ELLISON: Your Honor, if I may, Ben Ellison again for National Beef and I'm speaking on behalf of Cargill and Tyson as well in the Beef litigation.

So based on what Mr. Boylan has said about the specific deadline in Beef litigation, which is the substantial production for the priority custodians, it sounds like he's agreeing to what we propose, which was just move that solid date to a date certain of May 3rd, so obviously to that we're not opposed.

As far as the additional request as to 14 days after replacement counsel for any other deadlines that emerge, I think that's just sort of uncertain at this point. We don't know what deadlines could emerge. There are certainly no pending motions that would affect Sysco right now, but we just suggest maybe that should be done on a case-by-case basis depending on what might come up in the interim, and again, we don't foresee any motions in the near future. So that's our response to that.

We're encouraged, obviously, by the progress that seems to be being made that Mr. Boylan has talked about and it does not sound like what Sysco is asking for is for every deadline subsequent to this to be moved by 30 days. So as to the date certain for production of documents, we have no opposition to that. It's what we said we would agree to in our papers.

THE COURT: All right. Any other commentary?

(No response)

THE COURT: All right. Here is the Court's ruling on Sysco's motion for a limited stay. Once again, I don't anticipate putting out a written order and the transcript of what I'm about to say is going to be the order of the Court for any purposes of further review.

Sysco originally moved for a 60-day stay just as to Sysco in order to find substitute counsel for Boies Schiller. They pointed out that while usually it would be easy for a large, sophisticated company like Sysco to find replacement counsel, again, they allege -- and at this point I want to make clear that although I'm reading what Sysco is saying about Burford, I am taking what they are saying as allegations at this point. I've not heard anything from either Boies Schiller or from Burford. But that Burford allegedly was asserting approval authority over settlements and was otherwise involving itself in the litigation and that that made it difficult for Sysco to find replacement counsel.

The motion is granted as modified. As mentioned, 26 days have elapsed since the motion for a stay was granted. Sysco through Mr. Boylan has stated this morning that a continued until the 3rd of May would be adequate, which would be a -- until the 3rd of May would be adequate,

and therefore the stay is granted as to Sysco only. It runs from today to and including May the 3rd of this year.

I reviewed the docket in both the Cattle case and the Pork case before this hearing. I did not see any events that appear to be scheduled on the docket between now and May the 3rd. I didn't see any deadlines between now and May the 3rd. But I nevertheless do need to say that two law firms, Anthony Ostlund and Frankfurt Kurnit, have entered appearances for Sysco and have stated that they are doing so in a limited capacity and making clear that they are not becoming Sysco's counsel in either of those antitrust MDLs.

Because Sysco is a corporation, it cannot represent itself. The firm that used to represent Sysco, Boies Schiller, was excused from the case a few minutes ago. Nothing is scheduled between now and the expiration of the stay and so I feel confident that nothing will happen, but if something does and Sysco needs legal representation even on the antitrust MDLs between now and the 3rd of May, those law firms should understand that the Court will be looking to them has Sysco's lawyers even if that is just until they can engage other counsel. And of course Sysco can limit its exposure to this term of events and so can Anthony Ostlund and Frankfurt Kurnit, by moving with alacrity to get replacement counsel onboarded and an engagement letter signed and exchanged.

I also want to make clear, if I haven't already, that I am deliberately saying nothing about the situation that is alleged to have precipitated the withdrawal of Boies Schiller. I don't need to stay anything about that in order to resolve the two motions today and therefore I will say nothing.

Lastly, in the Beef case only, Mr. Boylan has filed a letter at docket number 186 about the April 3rd deadline for Sysco to complete document production as to two what are called priority custodians. That deadline was set by a prior order of this Court at docket number 129, and that deadline for the reasons set forth in Mr. Boylan's letter and for the REEPS developed on the record of this hearing here this morning is also extended to Monday, May the 3rd -- or to May 3rd. I don't know if it's a Monday. I shouldn't have said that.

All right. Mr. Boylan, anything further that needs to be in that order from your point of view?

MR. BOYLAN: No, Your Honor. And if it is -- as I offered before, if it is helpful, we could submit a proposed order, but it sounds as though we've got that covered.

THE COURT: No. And the only thing that I'm not granting is the request for an automatic stay of 14 days until new counsel can be engaged if something comes up. If something comes up, you're going to be back here and you're

going to be talking about what you need in order to address whatever situations come up. I didn't think given that anything that comes up between now and May the 3rd will by definition be unexpected, that it made sense to have a rule that would apply to every possible situation. If something comes up, we're going to need to get together and talk about it and you and a lawyer from Frankfurt Kurnit will need to be here to be part of that discussion in a capacity as counsel for Sysco.

MR. BOYLAN: Understood your ruling, Your Honor. Thank you.

THE COURT: Okay. Any requests for clarification or any questions about either the ruling on the Boies

Schiller withdrawal motion or the motion for a limited stay with its being different slightly in the Beef case because of that production deadline that's in Beef, but not in Port? Any questions?

MR. ROBISON: Your Honor, Brian Robison for the defendants.

I think I fully understand the Court's ruling on the stay and I agree. I don't see anything in the Pork cases on the schedule as far as discovery deadlines, that sort of thing.

I did just want to point out there is a status in the Pork cases on April 20th, and it sounds like from the

1 Court's ruling if Sysco has new antitrust counsel by that 2 time, obviously that law firm would handle the status 3 conference. It not, it sounds like Your Honor wants the two 4 law firms that have already appeared to handle that for 5 I just wanted to make sure that was clear. 6 THE COURT: Mr. Boylan, what's your view on that? 7 MR. BOYLAN: Your Honor, I think Mr. Robison has 8 accurately stated your expectations with regard to items 9 that may come up between now and whenever replacement 10 counsel formally notices its appearance, and so if there is a status conference -- I wasn't aware of that -- if there is 11 12 a status conference, we'll have to make sure that we've got 13 that covered. 14 THE COURT: Okay. Understood. 15 All right. I think that's it. Thank you all very 16 much for being here. Have a good rest of the day. Court is 17 adjourned. 18 VARIOUS COUNSEL: Thank you, Your Honor. 19 (Proceedings concluded at 9:06 a.m.) 20 21 22 23 24 25

CERTIFICATE

I, TIMOTHY J. WILLETTE, Official Court Reporter for the United States District Court, do hereby certify that the foregoing pages are a true and accurate transcription of my shorthand notes, taken in the aforementioned matter, to the best of my skill and ability.

/s/ Timothy J. Willette

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